

Message Text

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SUBJECT: MARKET RESEARCH: IDC EUROPA REPORT ON COMPUTERS AND
PERIPHERAL EQUIPMENT FOR BELGIUM

1. THE EMBASSY HAS REVIEWED THE IDC EUROPA LTD. REPORT ENTITLED
"SURVEY OF WORLD MARKETS FOR COMPUTERS AND PERIPHERAL EQUIPMENT
BELGIUM" DATED APRIL 1976. IN UNDERTAKING THIS REVIEW,
WE HAVE SHOWN A COPY OF THE REPORT TO CERTAIN MARKET
CONTACTS.

2. REPORT IN QUESTION IS A COMPLETE PICTURE OF THE MARKET,
BUT IT LACKS DEPTH AND THERE IS A LACK OF DEFINITION OF THE
TERMS USED. STATISTICS AND DATA USED WERE CHECKED ON A RANDOM
BASIS,BUT UNFORTUNATELY MOST OF THEM NEEDED TO BE INTERPRETED
OR OTHERWISE DEFINED AND SOME APPEARED TO BE IN ERROR.

3. INDIVIDUAL COMMENTS,WITH PAGE REFERENCES,ARE AS FOLLOWS:
A PAGE 3 - TOTAL IMPORTS FOR 1973 FOR ALL TYPES OF
COMPUTERS ARE SHOWN AS DOLS 58.4 MILLION. EURODATA STUDY OF THE
SAME MARKET SHOWED THAT TOTAL IMPORTS FOR THIS PERIOD WERE
DOLS 28.2 MILLION.

B. PAGE 4 - STATISTICS ON MAIN FRAMES SEEM QUESTIONABLE.
FOR 1973 PURCHASES ARE SHOWN TO AMOUNT TO 34 PERCENT. THIS
FIGURE SEEMS MUCH TOO HIGH. IBM ,WHICH HOLDS APPROXIMATELY
60 PERCENT OF THE MARKET IN BELGIUM, HAD ONLY A 13 PERCENT
PURCHASE RATE IN 1973. ALSO,LEASING COMPANY ACTIVITIES SHOULD
SHOW A SUBSTANTIALLY GREATER INCREASE. THE PURCHASE TREND SHOULD
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BE ON AN UPWARD SLOPE RATHER THAN A DOWNWARD SLOPE AS INDICATED

IN THIS REPORT FOR 1975-76 THE PURCHASE PERCENTAGE WILL PROBABLY SHOW 40 PERCENT RATHER THAN 30 PERCENT.

C. PAGE 5- STATEMENT THAT BELGIAN GOVERNMENT IS OBLIGATED TO PURCHASE AND CANNOT USE OTHER OPTIONS IS BASICALLY INCORRECT. GOVERNMENT INSTITUTIONS IN BELGIUM DO RENT OR LEASE. ECONOMIC AFFAIRS MINISTRY AND CGER(GOVERNMENT SAVINGS INSTITUTIONS) ARE LEASING EQUIPMENT STATEMENT IN FOLLOWING SENTENCE THAT RENTAL IS MOST COMMON IN INDUSTRIAL SECTORS IS ALSO QUESTIONABLE. BECKAERT,COCKERILL,PETROFINA,ST ROCH ARE ALL OWNERS OF MAIN FRAME COMPUTERS.

D. PAGE 6 - LAST SENTENCE THIS PAGE IS NONSENSE SINCE REPUTABLE MANUFACTURERS OF COMPUTERS PROVIDE IDENTICAL SERVICES WHETHER THE COMPUTER IS RENTED,LEASED OR PURCHASED.

E. PAGE 7 - FIRST SENTENCE USED THE TERM " RESEARCHES INDICATED THAT ... " WHICH RESEARCHES DOES THIS STATEMENT REFER TO?

F PAGE 9 - LAST PARAGRAPH, REFERENCE IS MADE TO CERTAIN "BIG BANKS ". WHICH BIG BANKS IS THE REPORT REFERRING TO?

G. PAGE 10 - REFERENCE IS MADE TO APROJECT AMONG BELGIAN UNIVERSITIES TO BUILD A STANDARDIZED DATA BASE SYSTEM. EMBASSYIS UNAWARE OF THIS PROJECT AND HAS BEEN UNABLE TO OBTAIN FURTHER INFORMATION ON IT. THIS STATEMENT NEEDS SOME CONFIRMATION.

H. PAGE 11- THIS PAGE IS REplete WITH UNVERIFIED STATEMENTS SUCH AS " RECENT STATISTICS", "FIGURES INDICATE",AND "IMPROVEMENTS ARE GENERALLY CONSIDERED" THE SAME MAY BE SAID FOR PAGE 13, "SURVEY INFORMATION INDICATES".

I. PAGE 15- IN DISCUSSION ON TELEPROCESSING,AUTHOR OF REPORT MADE NO ATTEMPT TO FEFINE THE STATUS OF THE RTT,WHICH IS ALL IMPORTANT IN THIS PARTICULAR PROCESS

J. PAGE 22 AND 23 - THIS PORTIO OF THE REPORT CONTAINS SOMES SERIOUS ERRORS. AS A RESULT OF EMBASSY'S INTERVIEWS,WE HAVE BEEN TOLD THAT THE MOST ADVANCED SYSTEM IS HELD BY SOCIETE GENERALE DE BANQUE. THE REPORT SHOWS THAT HONEYWELL BULL SUPPLIES THE MAIN FRAME EQUIPMENT TO KREDIETBANK. HOWEVER, KREDIETBANK HAS TWO IBM 370/158 COMPUTERS DISCUSSION ON BRUXELLES LAMBERT EQUIPMENT DOES NOT PREFER TO AUTOMATED BANKING SYSTEMS. THE SOCIETE GENERALE DE BANQUE DOES NOT HAVE A CDC 6600. IT HAS A LARGE 145 AND 158, AND ITS TERMINALS IN ITS BRANCHES NUMBER IN THE HUNDREDS. THE AUTHOR OF THE REPORT APPEARS TO HAVE UNCLASSIFIED

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IGNORED THE FACT THAT THE CGER (GOVERNMENT SAVINGS INSTITUTION) IS ONE OF THE LARGEST IN THE WORLD. THE LAST PARAGRAPH REFERS TO THE "ASLK BANK". THIS IS THE CGER IN THE FLEMISH ABBREVIATION.

K. PAGE 25 - THE AUTHOR OF THE REPORT SEEMS UNAWARE THAT THE BELL SYSTEM AND ITT (NOT IT AND T) ARE ONE AND THE SAME.

1. PAGE 31- WE QUESTION THE NUMBER OF PGRAMMERS/ANALYSTS WHICH ARE SHOWN AS 2,000 IN BELGIUM. HOW CAN THERE ONLY BE

2,000 PROGRAMMER WHEN THERE ARE 1,300 DP MANAGERS?

M. PAGE 33 - THE FIGURES GIVEN APPEAR QUESTIONABLE. IBM, WHICH HAS SOLD OR LEASED SOME 30 LARGE COMPUTERS, HOLDS MORE THAN 60 PERCENT OF THE MARKET, YET THE TOTAL NUMBER SHOWN FOR 1975 IS 84. THIS, THEREFORE, IS SOMEWHAT QUESTIONABLE. THE ESTIMATE OF 160 COMPUTERS BY 1980 SEEMS TOO HIGH. UNDER MEDIUM COMPUTERS, THE MOVEMENT FROM 550 TO 600 OVER A FIVE-YEAR PERIOD APPEARS TO BE TOO CONSERVATIVE. THE TOTAL UNDER 1980 OF 7,260 WOULD APPEAR TO BE TOO OPTIMISTIC. EURODATA FOR 1980 ESTIMATED THE MARKET SIZE AS 5,700.

N PAGE 55 - STATEMENT IN THE FIRST PARAGRAPH IS NOT SUPPORTABLE. IBM INITIALLY CONTROLLED FROM 80 TO 85 PERCENT OF THE MARKET AND NOW HOLDS ABOUT 60 PERCENT OF THE MARKET. ITS INITIAL IMPACT WAS VERY SUCCESSFUL IN BELGIUM.

O. PAGE 56 - THE AUTHOR OF THE REPORT STATES THAT THE BELGIAN INSTALLATION BASE WOULD BE ANYWHERE BETWEEN 4,000 AND AS HIGH AS 8,000. THE GAP BETWEEN THESE TWO FIGURES IS EXCESSIVE IN A SERIOUS REPORT.

3. THE EMBASSY RECOMMENDS THAT THE IDC EUROPA REPORT BE SUBJECT TO SCRUTINY IN COMMERCE SINCE, AS WE HAVE NOTED ABOVE, IT NEEDS GREATER PROFESSIONALISM AND FURTHER REFINEMENT. FIRESTONE

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